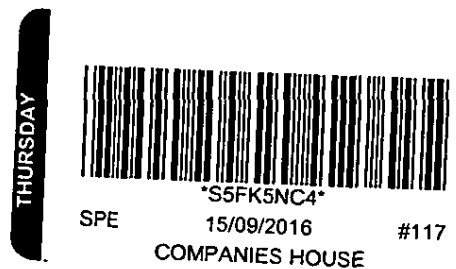


Company Registration No 04995419 (England and Wales)

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UBER KIDS LIMITED
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DEMON TWEEDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



DEMON TWEEKS LIMITED

COMPANY INFORMATION

Directors	K A Ankers Mr J Minshaw K Hayes Ms J Smith K A Ankers K Hayes
Secretary	Ms J Smith
Company number	04995419
Registered office	75 Ash Road South Wrexham Industrial Estate Wrexham LL13 9UG
Auditors	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED
Bankers	Royal Bank of Scotland Leeds City Office 8 Park Row Leeds LS1 1QS

DEMON TWEEKS LIMITED

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DEMON TWEEKS LIMITED

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DEMON TWEEDS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015

Fair review of the business

The group's business is primarily derived from four key sales channels - motorsport, road performance and styling, motorcycles and cycles. Motorsport is historically the group's core activity and has provided the basic platform upon which the other sales channels have been developed.

The key routes to market for each sales channel are through a comprehensive catalogue generating both mail order and telephone sales. This is backed up by a website which is focused on developing internet sales. The group also generates sales via the ebay selling outlet and Amazon.

Principal risks and uncertainties

Across the broad range of products offered via the catalogue and the website, the group has few direct competitors. However, there are numerous smaller catalogue, internet companies and retail outlets which specialise in specific segments of the business. Management of this risk is by way of sales channel optimisation and customer retention initiatives discussed below.

The group continues to buy a major proportion of its stock from Europe, The Far East and the United States, consequently there is an ongoing exposure to both exchange gains and losses. The group has processes in place to manage the risk, there is no speculative buying of foreign currency and exchange rates are reviewed frequently.

Development and performance

The main objective for both the motorsport and the motorcycles sales channels are to look for initiatives which continue to grow this aspect of our business in terms of both turnover and gross margin. All divisions are expected to continue to show growth with the improved prominence on the internet.

The key strategies for growing the business are to have focused resource for each of the sales channels and to grow awareness through the continual development of the website and the implementation of e-retailing initiatives. The group will then couple this with the development of customer retention through enhanced customer service and loyalty schemes.

The overall performance during 2015 was satisfactory considering the general economic climate. The group was able to maintain reasonable trading levels whilst controlling overheads.

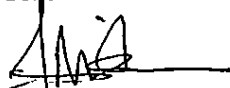
The early signs for 2016 appear to indicate that general consumer confidence remains fragile. Though through enhancements to the group's website, e-retailing and networking initiatives we feel confident that 2016 will again be a reasonable year. We hope to see continued growth in all areas of the business and are keen to see our new ranges develop further over the next few years.

Key performance indicators

The key performance indicators by which the directors manage and measure the business are turnover, gross profit and adjusted net profit before interest, tax, depreciation and amortisation. All three measures have improved in the period.

Turnover and gross profit are as per the profit and loss account. Net profit before interest, tax, depreciation and amortisation was £2,805,658 (2014 £3,025,048).

On behalf of the board


Mr J Minshaw
Director
28 April 2016

DEMON WEEKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015

Principal activities

The principal activity of the group continued to be that of retailing of motor parts and accessories

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows

K A Ankers
Mr J Minshaw
K Hayes
Ms J Smith
K A Ankers
K Hayes

Results and dividends

The results for the year are set out on page 6

No ordinary dividends were paid The directors do not recommend payment of a final dividend


Auditors

In accordance with the company's articles, a resolution proposing that Afford Bond Holdings Limited be reappointed as auditors of the group will be put at a General Meeting

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



Mr J Minshaw
Director
28 April 2016

DEMON TWEEDS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DEMON TWEETS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEMON TWEETS LIMITED

We have audited the financial statements of Demon Tweets Limited for the year ended 31 December 2015 set out on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


DEMON TWEEDS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMON TWEEDS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Paul Edwards FCCA CTA (Senior Statutory Auditor)
for and on behalf of Afford Bond Holdings Limited**

28 April 2016

**Chartered Accountants
Statutory Auditor**

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

DEMON TWEEKS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	36,765,495	32,970,542
Cost of sales		(28,377,242)	(24,946,308)
Gross profit		8,388,253	8,024,234
Administrative expenses		(6,722,238)	(6,106,197)
Other operating income		55,000	47,207
Operating profit	4	1,721,015	1,965,244
Interest receivable and similar income	8	2,675	3,713
Interest payable and similar charges	9	(53,896)	(29,630)
Profit before taxation		1,669,794	1,939,327
Taxation	10	(506,863)	(604,009)
Profit for the financial year		1,162,931	1,335,318

The profit and loss account has been prepared on the basis that all operations are continuing operations

DEMON TWEEKS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	10	7,388,093		8,208,093	
Other intangible assets	10	21,536		24,612	
Total intangible assets		7,409,629		8,232,705	
Tangible assets	11	6,618,649		4,353,341	
		14,028,278		12,586,046	
Current assets					
Stocks	13	5,530,338		4,503,910	
Debtors	14	864,033		759,278	
Cash at bank and in hand		98,345		77,499	
		6,492,716		5,340,687	
Creditors: falling due within one year	15	(10,768,320)		(8,840,886)	
Net current liabilities			(4,275,604)		(3,500,199)
Total assets less current liabilities			9,752,674		9,085,847
Creditors: amounts falling due after more than one year	16		(2,136,370)		(2,726,806)
Provisions for liabilities			(204,926)		(110,592)
Net assets			7,411,378		6,248,449
Capital and reserves					
Called up share capital	19	14,880		14,880	
Share premium account		6,145,040		6,145,040	
Profit and loss reserves		1,251,458		88,529	
Equity attributable to owners of the parent company			7,411,378		6,248,449

The financial statements were approved by the board of directors and authorised for issue on 28 April 2016 and are signed on its behalf by

Mr J Minshaw
Director

DEMON TWEEDS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments		18,839,476		18,839,476	
Current assets					
Debtors	15	340,000		175,000	
Cash at bank and in hand		218		1,465	
		<u>340,218</u>		<u>176,465</u>	
Creditors' falling due within one year	16	<u>(4,249)</u>		<u>(4,249)</u>	
Net current assets		<u>335,969</u>		<u>172,216</u>	
Total assets less current liabilities		<u>19,175,445</u>		<u>19,011,692</u>	
Creditors: amounts falling due after more than one year	17	<u>(4,531,992)</u>		<u>(6,106,294)</u>	
Net assets		<u><u>14,643,453</u></u>		<u><u>12,905,398</u></u>	
Capital and reserves					
Called up share capital	20	14,880		14,880	
Share premium account		6,145,040		6,145,040	
Profit and loss reserves		8,483,533		6,745,478	
Total equity		<u><u>14,643,453</u></u>		<u><u>12,905,398</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 28 April 2016 and are signed on its behalf by


Mr J Minshaw
Director

Company Registration No. 04995419

DEMON TWEEDS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £	Total £
Balance at 1 January 2014		14,880	6,145,040	(1,246,789)	4,913,131	4,913,131
Period ended 31 December 2014:						
Profit and total comprehensive income for the year		-	-	1,335,318	1,335,318	1,335,318
Balance at 31 December 2014		14,880	6,145,040	88,529	6,248,449	6,248,449
Period ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	1,162,931	1,162,931	1,162,931
Balance at 31 December 2015		14,880	6,145,040	1,251,460	7,411,380	7,411,380

DEMON TWEEDS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2014		14,880	6,145,040	4,738,267	10,898,187
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	2,007,211	2,007,211
Balance at 31 December 2014		14,880	6,145,040	6,745,478	12,905,398
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	1,738,055	1,738,055
Balance at 31 December 2015		14,880	6,145,040	8,483,533	14,643,453

DEMON TWEEDS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	22	3,173,875		2,465,633	
Interest paid		(53,896)		(29,630)	
Income taxes paid		(564,789)		(568,438)	
Net cash inflow from operating activities		<u>2,555,190</u>		<u>1,867,565</u>	
Investing activities					
Purchase of tangible fixed assets		(2,504,394)		(621,676)	
Proceeds on disposal of tangible fixed assets		(22,482)		-	
Interest received		<u>2,675</u>		<u>3,713</u>	
Net cash used in investing activities		<u>(2,524,201)</u>		<u>(617,963)</u>	
Financing activities					
Repayment of borrowings		(148,663)		(1,806,910)	
Proceeds of new bank loans		-		2,200,000	
Repayment of bank loans		<u>(440,000)</u>		<u>(1,480,000)</u>	
Net cash used in financing activities		<u>(588,663)</u>		<u>(1,086,910)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(557,674)</u>		<u>162,692</u>	
Cash and cash equivalents at beginning of year		<u>77,499</u>		<u>(85,193)</u>	
Cash and cash equivalents at end of year		<u><u>(480,175)</u></u>		<u><u>77,499</u></u>	
Relating to:					
Cash at bank and in hand		98,345		77,499	
Bank overdrafts included in creditors payable within one year		<u>(578,520)</u>		<u>-</u>	

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Demon Tweeds Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is

The Group consists of Demon Tweeds Limited and all of its subsidiaries

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,738,055 (2014 - £2,007,211 profit).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Demon Tweeds Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	10 years straight line
-------------------	------------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	50 years straight line
Plant and machinery	15% Straight line
Fixtures, fittings & equipment	15%-33% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 13 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue

An analysis of the group's turnover is as follows

	2015 £	2014 £
Turnover		
Sale of goods	36,765,495	32,970,542
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	2,675	3,713
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	31,345,073	27,228,708
Europe	2,389,472	2,765,674
Rest of the World	3,030,950	2,976,160
	<u> </u>	<u> </u>
	36,765,495	32,970,542
	<u> </u>	<u> </u>

4 Operating loss

	2015 £	2014 £
<i>Operating loss for the year is stated after charging/(crediting)</i>		
Depreciation of owned tangible fixed assets	261,568	196,725
Amortisation of intangible assets	823,076	863,076
Cost of stocks recognised as an expense	25,034,204	22,439,210
Operating lease charges	79,678	70,034
	<u> </u>	<u> </u>

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates		
For audit services		
Audit of the financial statements of the group and company	13,000	13,000
	<u> </u>	<u> </u>

DEMON TWEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was

	2015 Number	2014 Number
Sales	38	39
Administration	99	97
Management	20	18
	<u>157</u>	<u>154</u>

Their aggregate remuneration comprised

	2015 £	2014 £
Wages and salaries	<u>4,520,847</u>	<u>4,056,713</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>431,668</u>	<u>443,716</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1)

Remuneration disclosed above includes the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>152,244</u>	<u>151,637</u>
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8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	1,476	2,820
Other interest income	1,199	893
Total income	<u>2,675</u>	<u>3,713</u>

Investment income includes the following

Interest on financial assets not measured at fair value through profit or loss	<u>1,476</u>	<u>2,820</u>
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DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost		
Interest on bank overdrafts and loans	53,896	29,630

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	412,529	525,540
Adjustments in respect of prior periods	-	(604)
Total current tax	412,529	524,936
Deferred tax		
Origination and reversal of timing differences	94,334	79,073
Total tax charge	506,863	604,009

The charge for the year can be reconciled to the loss per the profit and loss account as follows

	2015 £	2014 £
Profit before taxation	1,669,794	1,939,327
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	333,959	407,259
Tax effect of expenses that are not deductible in determining taxable profit	665	813
Effect of change in corporation tax rate	9,920	16,664
Amortisation on assets not qualifying for tax allowances	162,319	179,273
Tax expense for the year	506,863	604,009

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Intangible fixed assets

Group	Goodwill £	Development Costs £	Total £
Cost			
At 1 January 2015 and 31 December 2015	17,201,245	30,765	17,232,010
Amortisation and impairment			
At 1 January 2015	8,993,152	6,153	8,999,305
Amortisation charged for the year	820,000	3,076	823,076
At 31 December 2015	9,813,152	9,229	9,822,381
Carrying amount			
At 31 December 2015	7,388,093	21,536	7,409,629
At 31 December 2014	8,208,093	24,612	8,232,705

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014

12 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Fixtures, Motor vehicles fittings & equipment £	£	Total £
Cost					
At 1 January 2015	3,625,905	1,163,571	659,877	334,055	5,783,408
Additions	1,489,030	419,743	126,584	469,037	2,504,394
Disposals	-	(1,466)	-	-	(1,466)
At 31 December 2015	5,114,935	1,581,848	786,461	803,092	8,286,336
Depreciation and impairment					
At 1 January 2015	111,535	761,865	490,996	65,671	1,430,067
Depreciation charged in the year	55,767	127,492	76,567	1,742	261,568
Eliminated in respect of disposals	-	(615)	-	(23,333)	(23,948)
At 31 December 2015	167,302	888,742	567,563	44,080	1,667,687
Carrying amount					
At 31 December 2015	4,947,633	693,106	218,898	759,012	6,618,649
At 31 December 2014	3,514,370	401,706	168,881	268,384	4,353,341

The company had no tangible fixed assets at 31 December 2015 or 31 December 2014

DEMON TWEEDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Financial Instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	246,582	271,831	340,000	175,000
Equity instruments measured at cost less impairment	-	-	18,839,476	18,839,476
Carrying amount of financial liabilities				
Measured at amortised cost	12,673,878	11,198,513	4,536,241	6,110,543

14 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Finished goods and goods for resale	5,530,338	4,503,910	-	-

15 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	126,034	119,395	-	-
Corporation tax recoverable	103,910	-	-	-
Amounts due from subsidiary undertakings	-	-	340,000	175,000
Other debtors	144,609	152,436	-	-
Prepayments and accrued income	489,482	487,445	-	-
	864,035	759,276	340,000	175,000

16 Creditors falling due within one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Loans and overdrafts	18	5,433,181	4,852,888	-	-
Corporation tax payable		54,607	102,957	-	-
Other taxation and social security		176,205	266,220	-	-
Trade creditors		4,844,349	3,311,945	-	-
Other creditors		112,718	97,557	-	-
Accruals and deferred income		147,260	209,317	4,249	4,249
		10,768,320	8,840,884	4,249	4,249

DEMON WEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Creditors: amounts falling due after more than one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Loans and overdrafts	18	2,136,370	2,726,806	816,370	966,806
Other creditors		-	-	3,715,622	5,139,488
		<u>2,136,370</u>	<u>2,726,806</u>	<u>4,531,992</u>	<u>6,106,294</u>

18 Loans and overdrafts

		Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans		1,760,000	2,200,000	-	-
Bank overdrafts		578,520	-	-	-
Redeemable preference shares		450,000	450,000	450,000	450,000
Directors' loans		4,414,661	4,412,888	-	-
Other loans		366,370	516,806	366,370	516,806
		<u>7,569,551</u>	<u>7,579,694</u>	<u>816,370</u>	<u>966,806</u>
Payable within one year		5,433,181	4,852,888	-	-
Payable after one year		<u>2,136,370</u>	<u>2,726,806</u>	<u>816,370</u>	<u>966,806</u>

Included in creditors is a mortgage taken out in respect of the purchase of 75 Ash Road South and 71 Clywedog Road, Wrexham in the amount of £1,760,000 (2014 £2,200,000) which is secured against the two properties

At 31 December 2015 the company has in issue £366,370 Series A Loan Notes (2014 £516,806)

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes

	Liabilities 2015 £	Liabilities 2014 £
Group		
Accelerated capital allowances	<u>204,926</u>	<u>110,592</u>

The company has no deferred tax assets or liabilities

DEMON TWEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Deferred taxation

(Continued)

	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	110,592	-
Charge to profit or loss	94,334	-
Liability at 31 December 2015	204,926	-

20 Share capital

	Group and company 2015 £	2014 £
Ordinary share capital Issued and fully paid		
12,460 Ordinary A shares of £1 each	12,460	12,460
2,420 Ordinary B shares of £1 each	2,420	2,420
	14,880	14,880

21 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
DT (Automotives) Limited United Kingdom	Retail of motor parts and accessories	Ordinary	100 00

✗ The financial statements of Uber Kids Limited and Kencourt Limited have not been audited as exemption
from audit has been claimed by both companies under the Companies Act 2006 section 479A audit
exemption for a subsidiary company ✗

DEMON TWEEKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

22	Cash generated from operations	2015 £	2014 £
	Profit for the year after tax	1,162,931	1,335,318
	Adjustments for		
	Taxation charged	506,863	604,009
	Finance costs	53,896	29,630
	Investment income	(2,675)	(3,713)
	Amortisation and impairment of intangible assets	823,076	863,076
	Depreciation and impairment of tangible fixed assets	261,568	196,725
	Movements in working capital		
	(Increase) in stocks	(1,026,428)	(630,391)
	(Increase) in debtors	(849)	(122,894)
	Increase in creditors	1,395,493	193,873
	Cash generated from operations	<u>3,173,875</u>	<u>2,465,633</u>